MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2015 / 2016 SESSION

DBS5048 – PRINCIPLES OF MARKETING

(All sections / Groups)

16th OCTOBER 2015
3.00PM – 5.00PM
(2 Hours)

INSTRUCTIONS TO STUDENTS

1. This question paper consists of 12 pages only excluding the cover page.
2. Answer **ALL** questions for section A, B, C and D.
3. Answers for section A and B should be shaded on the OMR sheet provided.
4. For section B, shade "**A**" for **TRUE** and shade "**B**" for **FALSE**.
5. For section C and D, please write your answers in the answer booklet provided.

SECTION A: MULTIPLE CHOICE QUESTIONS (each question carries 1 mark). Answers for this section should be shaded on the OMR form.

1. The art and science of choosing target markets and building profitable relationships with them is called _____.

   A. marketing management
   B. positioning
   C. marketing mix
   D. market offering

2. Which of the following is true with regard to a SWOT analysis?

   A. It classifies SBUs into four distinct categories.
   B. It measures customer response to a new product.
   C. It evaluates the company's overall strengths.
   D. It evaluates the growth potential of a market segment.

3. Kei, a senior marketing manager of a pizzeria in Cyberjaya, is currently researching electronic collections of consumer information within the company network to arrive at crucial marketing decisions. In this instance, Kei is using _____.

   A. ethnographic research
   B. internal databases
   C. descriptive research
   D. data warehouses

4. _____ segmentation has long been used in clothing, cosmetics, toiletries, and magazines.

   A. Behavioral
   B. Gender
   C. Benefit
   D. Occasion

5. Which of the following product offering is intangible?

   A. a package of laundry detergent
   B. an ink cartridge for a printer
   C. a wool jacket
   D. a taxi ride

Continued.....

6. A company that uses well-known celebrities to help sell its products is using _____ marketing.

   A. interactive
   B. internal
   C. social
   D. buzz

7. _____ means that service quality depends on the quality of buyer-seller interaction during the service encounter.

   A. Interactive marketing
   B. Service differentiation
   C. Service productivity
   D. Corporate image marketing

8. Product improvements, product modifications, and originated products can all be classified as _____.

   A. blueprints
   B. new products
   C. prototypes
   D. product extensions

9. Boey's fascination towards his grandmother's cake recipes inspired him to come up with a recipe for SecretCake, a cake house for the Malaysian market. Which of the following stages of the new product development process does this exemplify?

   A. Idea screening.
   B. Idea generation.
   C. Concept testing.
   D. Product development.

10. Which of the following is the practice of inviting broad communities of customers, employees, independent researchers, and members of the public into the new product innovation process?

    A. Brainstorming.
    B. Idea screening.
    C. Crowdsourcing.
    D. Outsourcing.

Continued.....

11. Which of the following is an external source for ideas?

A. Project managers.
B. Engineers.
C. Salespeople.
D. Suppliers.

12. _____ refers to the amount of money charged for a product or service.

A. Value
B. Cost
C. Price
D. Wage

13. Retailers such as Tesco and Giant charge a constant, daily low price with few or no temporary price discounts. This is an example of _____ pricing.

A. competition-based
B. everyday low
C. cost-plus
D. break-even

14. Costs that change with the level of production are referred to as _____.

A. fixed costs
B. variable costs
C. target costs
D. total costs

15. Which of the following price adjustment strategies involves reducing prices to reward customer responses such as volume purchases, paying early, or participating in sales-support programs?

A. Product bundle pricing.
B. Captive product pricing.
C. Product line pricing.
D. Discount and allowance pricing.

16. A(n) _____ is a straight reduction in price on purchases during a stated period of time or of larger quantities.

A. allowance
B. free sample
C. discount
D. tax credit

Continued.....

17. Which of the following would most likely lead to a company initiating a price increase?

A. Weakened economy.
B. Possession of outdated merchandise.
C. Excess capacity.
D. Over-demand.

18. The sets of firms that supply companies with the raw materials, components, parts, information, finances, and expertise needed to create products or services are known as _____.

A. retailers
B. upstream partners
C. distributors
D. downstream partners

19. A _____ Vertical Marketing System integrates successive stages of production and distribution under single ownership.

A. Contractual
B. Corporate
C. Contingency
D. Conventional

20. For which of the following products would the intensive distribution strategy most likely be used?

A. High-end cameras.
B. Luxury cars.
C. Lawn mowers.
D. Soft drinks.

21. LG Electronics, a home appliance manufacturer, uses sales representatives to sell its products to wholesalers and individual customers. This is an example of _____.

A. sales promotion
B. personal selling
C. public relations
D. direct marketing

Continued.....

22. Delia's is a clothing retailer that targets teenage girls. The company runs coordinated promotions for its catalogs, Web site, and retail outlets. It uses the same models in its catalog, print advertisement, and Web site. Delia's works to make sure its public relations activities as well as its sales promotions harmonize with its advertising in all aspects. From this information, we can infer that Delia's is using _____.

A. buzz marketing
B. experiential marketing
C. integrated marketing communication
D. word-of-mouth marketing

23. Which of the following appeals is based on the idea that consumers often feel before they think?

A. Emotional appeal.
B. Rational appeal.
C. Structural appeal.
D. Standardized appeal.

24. _____ involves cultivating opinion leaders and getting them to spread information about a product or a service to others in their communities.

A. Sales promotion
B. Indirect marketing
C. Buzz marketing
D. Person marketing

25. Though the _____ method of setting an advertising budget is simple to use and helps management think about the relationships among promotion spending, selling price, and profit per unit, it wrongly views sales as the cause of promotion rather than the result.

A. percentage-of-sales
B. integrated
C. competitive-parity
D. objective-and-task

26. After creating a message strategy statement, the advertiser must develop a compelling _____ that will bring the message strategy to life in a distinctive and memorable way.

A. creative concept
B. customer strategy
C. customer benefit
D. execution style

Continued.....

27. Which of the following are the three characteristics that an advertising appeal should have?

A. Engaging, informative, and stylish.
B. Trendy, compelling, and appealing.
C. Meaningful, believable, and distinctive.
D. Unique, emotional, and entertaining.

28. An illustration, a headline, and a copy are the three _____ elements of an advertisement.

A. tone
B. mood
C. format
D. reach

29. _____ advertising is important with mature products to help maintain customer relationships and keep customers thinking about the product.

A. Informative
B. Persuasive
C. Comparative
D. Reminder

30. _____ involves building and maintaining relations with legislators and government officials to influence legislation and regulation.

A. Lobbying
B. Investor relations
C. Product publicity
D. Public affairs

31. Which consumer promotion tool requires the consumer to provide a proof of purchase to the manufacturer?

A. Price packs.
B. Coupons.
C. Samples.
D. Rebates.

Continued.....

32. MMU will reward an all-expense-paid trip to Hawaii to anyone who correctly guesses the date on which MMU was first established in Malacca. Which type of sales promotion is evident here?

A. Contest.
B. Sample.
C. Premium.
D. Trade promotion.

33. In Kodak's film business didn't lose out to direct competitor Fujifilm; it lost out to Sony, Canon, and other digital camera makers, along with a host of digital image developers and online image sharing services. This is an example of _____.

A. A blue ocean strategy
B. Competitor backlinking
C. Self-competition
D. Competitor myopia

34. Porsche is a German automobile manufacturer that competes against BMW and Audi, but only in the sports car and SUV segments of the automobile market. Porsche utilizes a(n) _____ strategy.

A. overall cost leadership
B. focus
C. middle-of-the-roaders
D. market segmentation

35. Companies that pursue a clear strategy will likely perform well. Firms that do not pursue a clear strategy are called _____.

A. jack-of-all-trades
B. middle-of-the-roaders
C. niches
D. red oceans

36. Which of the following is a market leader strategy?

A. expanding market share.
B. multiple niching.
C. full frontal attack.
D. following at a distance.

Continued.....

37. When companies watch both their buyers and their competitors, they are called _____ companies

A. product-centered
B. market-centered
C. customer-centered
D. competitor-centered

38. _____ calls for meeting the present needs of consumers and businesses while also preserving or enhancing the ability of future generations to meet their needs.

A. Sustainable marketing
B. Ambush marketing
C. Consumerism
D. Environmentalism

39. Deceptive practices fall into three groups: pricing, promotion, and _____.

A. product
B. placement
C. packaging
D. publicity

40. At the most basic level of environmental sustainability, a company can practice _____.

A. pollution prevention
B. product stewardship
C. beyond greening activities
D. new clean technology

[TOTAL 40 MARKS]

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SECTION B: TRUE/FALSE QUESTIONS (each question consists of 1 mark).
Answers for this section should be shaded on the OMR form.
Shade "A" for the TRUE statement and "B" for the FALSE statement.

41. Human needs are shaped by culture and individual personality.

42. On the BCG matrix, "question mark" is referred as high-growth rate and high-market share of a particular businesses or products.

43. A management information system assesses information needs, develops needed information, and helps decision makers to use the information.

44. Children exert little influence on family buying decisions.

45. Using an undifferentiated marketing strategy, a firm decides to target several market segments and designs separate offers for each market segment.

46. Labels range from simple tags attached to products to complex graphics that are part of the packaging.

47. A product idea is an idea for a possible product that a company can offer the market.

48. Value-added pricing attaches value-added features and services to differentiate the companies offers and thus their higher prices.

49. Customers located close to a firm are less likely to benefit from FOB-origin pricing than customers located further away.

50. Producers of convenience products and common raw materials typically seek exclusive distribution, a strategy in which they stock their products in as many outlets as possible.

51. Marketing logistics involves planning, implementing, and controlling the physical flow of goods, services, and related information from points of origin to points of consumption to meet customer requirements at a profit.

52. Direct marketing includes catalogs, direct-response TV, kiosks, the Internet, and mobile marketing.

53. Rational appeals relates to the audience's self-interest.

54. The most important objective of reminder advertising is telling the market about a new product.

Continued.....

55. In the territorial sales force structure, each salesperson is assigned an exclusive geographic area and sells the company's full line of products to all customer in that territory.

56. Sales promotion consists of long-term incentives to encourage the purchase of a product or service.

57. To plan effective marketing strategies, the company must ignore its competitors.

58. Companies with multiple products or businesses typically choose one marketing strategy for all their different businesses or products.

59. Product stewardship involves minimizing not only pollution from production and product design but also all environmental impacts throughout the full product life cycle, and accepting increased costs.

60. A company must lower its ethical standards to successfully conduct business in countries with low standards.

[TOTAL 20 MARKS]

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SECTION C: FILL IN THE BLANK QUESTIONS (each question consists of 1 mark).
Please refer to the table below, fill in the blanks with the most appropriate answer. Answer ALL questions. Answers should be written on the answer booklet provided.

Advertising	Market-Skimming	Slice Of Life	Joint Venture
Acquisition	Coupons	Market-Penetration	Selective
Low-Cost Leadership	Markup	Shopping Products	Samples
Convenience Products	Lifestyle	Consumerism	Good-Value

61. _____ are less frequently purchased consumer products and services that customers compare carefully on suitability, quality, price, and style.

62. Electron Corp. purchased Proton Corp. by buying all of its assets and ownership equity. This is an example of a(n) _____.

63. _____ pricing refers to offering just the right combination of quality and gratifying service at a fair price.

64. When a company sets a high price for a new product with the intention of reducing the price in the future, it is using the _____ pricing strategy.

65. _____ distribution involves the use of more than one but fewer than all of the intermediaries who are willing to carry a company's products.

66. Any paid form of nonpersonal presentation and promotion of ideas, goods, or services by an identified sponsor is called _____.

67. An advertisement for Nike active wear shows a woman in a complex yoga pose and states: "If your body is your temple, build it one piece at a time." This ad uses the _____execution style.

68. _____ are offers of a trial amount of a product.

69. A company that pursues _____will react much more strongly to a competitor's cost reducing manufacturing breakthrough than to the same competitor's advertising increase.

Continued.....

70. _____ is an organized movement of citizens and government agencies to improve the rights and power of buyers in relation to sellers.

[TOTAL 10 MARKS]

SECTION D: STRUCTURED QUESTIONS

Answer ALL questions. Answers should be written on the answer booklet provided.

QUESTION 1

(a) Draw a Product Life Cycle (PLC) diagram to show a product's sales take over its lifetime. (3 marks)

(b) Explain the **FIVE (5)** stages of product life cycle (PLC) based on sales and profit of the product.

(5 marks)

QUESTION 2

State and explain the **FIVE (5)** product mix pricing strategies.

(10 marks)

QUESTION 3

Identify any **FOUR (4)** major public relations (PR) tools. (4 marks)

QUESTION 4

Discuss any **TWO (2)** roles of a company's salespeople in creating value for customer.

(2 marks)

QUESTION 5

Under the sustainable marketing concept, a company's marketing should support the best long-run performance of the marketing system.

List and briefly explain any **THREE (3)** principles of sustainable marketing.

(6 marks)

[TOTAL 30 MARKS]

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